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ABSTRACT

Guidelines are presented to help school boards evaluate superintendents and set up their compensation packages. The author describes informal and formal evaluation procedures and states his preference for the latter, since they promote mutual understanding between the superintendent and the board. A flow chart illustrates a superintendent evaluation process, and a form is offered for rating a superintendent's accomplishment of district goals. After listing both the board's and the superintendent's compensation objectives, the author compares these objectives with the possible elements of a compensation package. The board's compensation objectives include a package that is equitable, legal, attractive, acceptable to the community, and linked to the board's fiscal responsibilities and to the superintendent's needs and performance. The superintendent's objectives involve current and long-term income, job security, opportunities for job enrichment and outside activities, and a reward for effective performance. The discussion of fringe benefits is related to the results of a national survey on benefits of educational administrators. (RW)

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THE SUPERINTENDENT'S COMPENSATION PACKAGE

BY EUGENE R. HERTZKE

AASA Presentation
February 15, 1981

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THE SUPERINTENDENT'S COMPENSATION PACKAGE SUNDAY, FEBRUARY 15, 1981
3:30 P.M.

BY DR. EUGENE R. HERTZKE, SUPERINTENDENT, CENTRAL KITSAP SCHOOL DISTRICT
SILVERDALE, WASHINGTON.

BEFORE I BEGIN MY REMARKS, I WOULD LIKE TO ADD SEVERAL OTHER FACTORS WHICH SHOULD BE USED WHEN COMPARING THE SUPERINTENDENT'S POSITION WITH OTHERS IN THE COMMUNITY. THE FIRST IS TOUCHED UPON BY THE CASA REPORT, BUT I FEEL RISK FACTORS SHOULD RECEIVE MORE ATTENTION. A SUPERINTENDENT MAY BE VIEWED AS COMPETENT BY ONE BOARD, BUT NOT ANOTHER AND SINCE THE TURNOVER AMONG SCHOOL BOARD MEMBERS IS MUCH GREATER THAN ANY OTHER BOARDS, THE RISK IS GREATER.

A SECOND FACTOR IS THE RESTRICTED ABILITY TO PARTICIPATE IN PRIVATE BUSINESS VENTURES DUE TO POSSIBLE CONFLICT OF INTEREST CHARGES, THEREFORE, MORE SALARY DOLLARS ARE REQUIRED TO PRODUCE THE SAME RELATED INCOME.

A THIRD FACTOR IS THAT JOINT BUSINESS VENTURES SELDOM INCLUDE SUPERINTENDENTS DUE TO LACK OF CONFIDENCE IN THAT INDIVIDUAL'S TENURE IN THE COMMUNITY AND SOMETIMES THE LACK OF OPPORTUNITY.

IN THE HANDBOOK, GUIDELINES HAVE BEEN DESCRIBED FOR ESTABLISHING A SALARY FRAMEWORK FOR COMPENSATION DECISION-MAKING, AND THREE METHODS FOR ASSESSMENT HAVE BEEN PRESENTED TO ASSIST IN DETERMINING THE RELATIVE VALUE OF THE SUPERINTENDENCY IN A PARTICULAR COMMUNITY. THESE ARE THE DESCRIPTIVE COMMUNITY FACTORS, THE JOB REQUIREMENTS OF THE SUPERINTENDENCY ITSELF, AND THE SUPERINTENDENCY AS COMPARED WITH OTHER SELECTED COMMUNITY POSITIONS. A FURTHER CRITERION AND THE MOST IMPORTANT FOR DETERMINING SUPERINTENDENTS' COMPENSATION, SHOULD BE HIS OR HER PERFORMANCE IN A GIVEN COMMUNITY. THE FOURTH CHAPTER FOCUSES ON THE IMPORTANCE OF EVALUATING THE SUPERINTENDENT. IT BRIEFLY LOOKS AT CURRENT EVALUATION PRACTICES. THEN, SEVERAL PROPOSED PERFORMANCE APPRAISAL APPROACHES ARE SUGGESTED. FINALLY, A MEANS OF

TRANSLATING EVALUATION RESULTS INTO THE COMPENSATION FRAMEWORK IS PRESENTED. THERE IS WIDE VARIATION IN THE NATURE OF EVALUATION PRACTICES OF THE SUPERINTENDENT FROM SCHOOL DISTRICT TO SCHOOL DISTRICT. BY AND LARGE, SCHOOL BOARDS USE AN INFORMAL APPROACH. IN MANY CASES, OCCASIONAL MEETINGS ARE HELD IN EXECUTIVE SESSION FOR THE BOARD TO DISCUSS THE WORK OF THE SUPERINTENDENT. OFTEN THERE IS AN ANNUAL EXECUTIVE SESSION ASSOCIATED WITH THE DECISION ON SUPERINTENDENT'S COMPENSATION, AND AT THAT TIME THERE IS INFORMAL DISCUSSION CONCERNING THE PERFORMANCE OF THE SUPERINTENDENT. IN SOME CASES, THE SUPERINTENDENT IS PRESENT IN THESE EXECUTIVE SESSIONS. IN OTHER INSTANCES, HE IS NOT. AS A GENERAL RULE, LITTLE INFORMATION IS SHARED WITH THE SUPERINTENDENT, AND THERE IS A RELUCTANCE TO CRITIQUE THE PERFORMANCE WITH ANY DETAIL UNLESS THERE ARE SERIOUS PROBLEMS. IN SOME COMMUNITIES, HOWEVER, THE BOARD PRESIDENT PROVIDES FEEDBACK TO THE SUPERINTENDENT AND MEETS INFORMALLY WITH HIM ON A PERIODIC BASIS, SOMETIMES AS OFTEN AS ONCE A WEEK.

IN A MINORITY OF SCHOOL DISTRICTS, BUT STILL A LARGE AND INCREASING NUMBER, THE EVALUATION OF THE SUPERINTENDENT IS CONDUCTED ON A MORE FORMAL BASIS - SOMETIMES OVER A PERIOD OF SEVERAL DAYS. IN THESE CASES, SCHOOL DISTRICTS USE EITHER A CHECKLIST OF CHARACTERISTICS OR AN OBJECTIVE-SETTING PROCESS. IN THESE INSTANCES, MORE COMPREHENSIVE FEEDBACK IS GIVEN THE SUPERINTENDENT.

I CERTAINLY RECOMMEND THAT A FORMAL APPROACH BE USED IN EVALUATING SUPERINTENDENTS' PERFORMANCE. THERE ARE A NUMBER OF REASONS FOR THIS, FIRST, A FORMAL APPROACH ENSURES A MUTUAL UNDERSTANDING BY THE SUPERINTENDENT AND SCHOOL BOARD MEMBERS REGARDING THE BASIS ON WHICH THE THE EVALUATION WILL TAKE PLACE. THIS PROMOTES A POSITIVE, CONSTRUCTIVE RELATIONSHIP AND DIMINISHES THE POSSIBILITY OF MISUNDERSTANDING. SECOND, IT ENSURES A COORDINATED APPROACH TO EVALUATION WITH AN APPROPRIATE AMOUNT OF TIME ESTABLISHED FOR THIS PURPOSE, AND AN UNDERSTANDING AMONG BOARD

MEMBERS AND THE SUPERINTENDENT CONCERNING THE PURPOSE OF THE EVALUATION. THIRD, A MORE FORMAL EVALUATION GIVES AN APPROPRIATE LEVEL OF DETAIL AS A BASIS FOR IMPROVING PERFORMAN FINALLY, IT ESTABLISHES A WRITTEN RECORD WHICH, COUPLED WITH THE DETAIL, PROVIDES A BASIS AND REFERENCE FOR SELF-IMPROVEMENT ON THE PART OF THE SUPERINTENDENT AND FOR CONTINUED TRACKING OF PERFORMANCE AND PERFORMANCE IMPROVEMENT BY THE SCHOOL BOARD.

IN MY DISTRICT THE BOARD PREFERS TO USE BOTH A RATING CHART BASED UPON THE ADOPTED OBJECTIVES OF THE DISTRICT AND A CHECKLIST DESCRIBING THE NORMAL AREAS OF RESPONSIBILITY I HAVE. I HAVE FOUND THAT WHILE DISTRICT OBJECTIVES MIGHT BE ACCOMPLISHED IN EXEMPLARY FASHION THERE MAY BE OTHER FEELINGS WHICH BOARD MEMBERS POSSESS WHICH MUST SURFACE AND BE DISCUSSED. THE CHECKLIST STIMULATES THIS TYPE OF DISCUSSION.

THE CASA PUBLICATION PRESENTS THIS FLOW CHART OF A SUPERINTENDENT EVALUATION PROCESS.

(TRANSPARENCY OF EXHIBIT IV-1)

A FORM FOR RATING ACCOMPLISHMENT OF OBJECTIVES IS ALSO INCLUDED IN THE HANDBOOK.

(TRANSPARENCY OF EXHIBIT IV-2)

I ALSO RECOMMEND THAT YOUR KEY ASSISTANTS PARTICIPATE WITH YOU DURING THE DISCUSSIONS CONCERNING DISTRICT OBJECTIVES. MORE THAN LIKELY, AN OBJECTIVE IS THE PRIMARY RESPONSIBILITY OF ONE OF THEM. THIS ALSO PROVIDES FIRST HAND FEEDBACK FROM THE BOARD TO YOUR MANAGEMENT TEAM.

FLOW CHART OF SUPERINTENDENT EVALUATION PROCESS

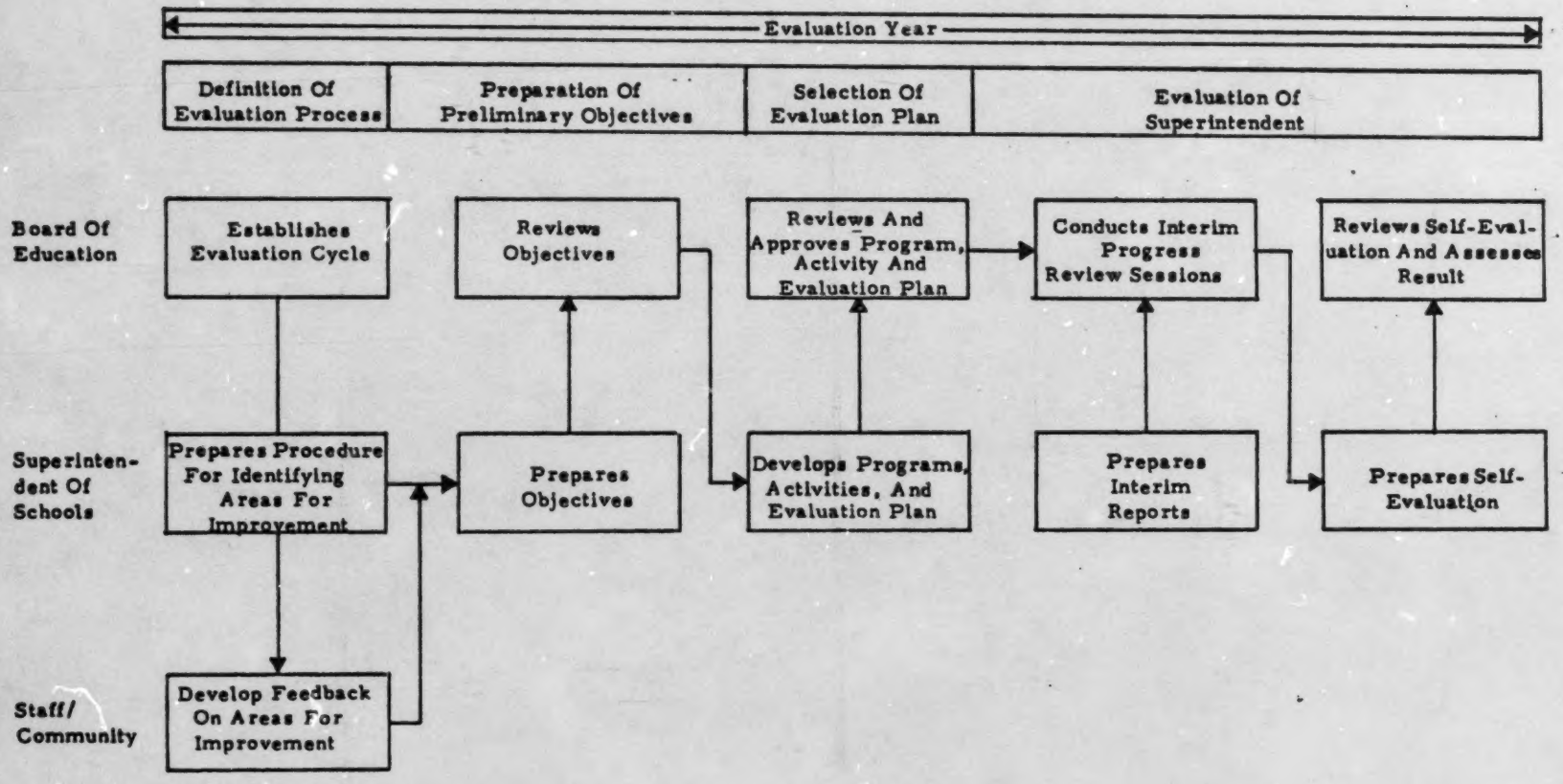

EXHIBIT IV-1

4.

I HAVE FOUND THAT SENDING THE BOARD A SUMMARY OF WHAT I PERCEIVE TO BE MY ACCOMPLISHMENTS, PLUS THE CHECKLIST SPEEDS LATER DISCUSSIONS.

IN DEVELOPING THE COMPENSATION PACKAGE, THE BOARD AND THE SUPERINTENDENT WILL BOTH HAVE OBJECTIVES IN MIND. FOR THE BOARD, THEY ARE USUALLY THESE:

EQUITABILITY - TO WHAT DEGREE IS THE COMPENSATION OF THE SUPERINTENDENT EQUITABLE WITH RESPECT TO OTHER POSITIONS IN THE SCHOOL SYSTEM, OTHER SUPERINTENDENTS WITH WHOM THE COMPENSATION WILL BE COMPARED, AND OTHER POSITIONS IN THE COMMUNITY?

ACCEPTABILITY - TO WHAT EXTENT IS THE COMPENSATION OF THE SUPERINTENDENT UNDERSTANDABLE AND ACCEPTABLE TO THE COMMUNITY SERVED BY THE SCHOOL SYSTEM AND TO THE COMMUNITY OF EMPLOYEES THAT ARE A PART OF THE SCHOOL SYSTEM?

LEGALITY - DOES THE COMPENSATION PACKAGE MEET LEGAL REQUIREMENTS?

DRAWING POWER - TO WHAT EXTENT IS THE COMPENSATION PACKAGE ATTRACTIVE TO THE TYPE OF SUPERINTENDENT WHO WILL MEET THE JOB REQUIREMENTS OF THE SUPERINTENDENCY PARTICULAR TO THE COMMUNITY?

MOTIVATING POWER - TO WHAT EXTENT DOES THE COMPENSATION PACKAGE PROVIDE MOTIVATION FOR OUTSTANDING PERFORMANCE?

RETENTION POWER - TO WHAT EXTENT DOES THE COMPENSATION PACKAGE PROVIDE THE ATTRACTION TO KEEP A GOOD SUPERINTENDENT WORKING IN THE COMMUNITY?

LINK WITH PERFORMANCE - TO WHAT EXTENT DOES THE COMPENSATION PACKAGE EMPHASIZE PERFORMANCE AND PRODUCTIVITY AS THE BASIS FOR INCREASED COMPENSATION?

COMPETITIVENESS - IS THE COMPENSATION PACKAGE COMPARABLE AND COMPETITIVE WITH PACKAGES IN SURROUNDING COMMUNITIES AND OTHER JURISDICTIONS WITH WHICH THE COMMUNITY IS COMPETING?

5.

FISCAL JUDGMENT - DOES THE COMPENSATION PACKAGE MEET THE OBLIGATIONS OF THE BOARD OF EDUCATION FOR EXERCISING FISCAL RESPONSIBILITY?

RESPONSIVENESS - TO WHAT DEGREE DOES THE COMPENSATION PACKAGE MEET THE PERSONAL NEEDS OF THE SUPERINTENDENT?

— THE SUPERINTENDENT'S OBJECTIVES MIGHT BE SUMMARIZED LIKE THIS:

CURRENT INCOME - TO WHAT EXTENT DOES THE COMPENSATION PACKAGE MEET THE NEED FOR CURRENT INCOME THROUGH SALARY PAYMENTS AND SALARY EQUIVALENT FRINGE BENEFITS?

JOB SECURITY - WHAT ASSURANCE IS THERE THAT THE POSITION WILL BE A LONG-TERM ONE AND THAT THERE WILL BE ADEQUATE COMPENSATION FOR AN EARLY TERMINATION OF EMPLOYMENT?

PERFORMANCE REWARD - WHAT OPPORTUNITY IS THERE FOR INCREASED COMPENSATION BASED ON EXCELLENT PERFORMANCE?

CURRENT COMPENSATION SECURITY -WHAT COMPENSATION ELEMENTS ASSURE CONTINUED CURRENT COMPENSATION IN THE EVENT OF ACCIDENT, SICKNESS, OR DEATH?

COMMUNITY ACCEPTANCE - TO WHAT DEGREE WILL THE COMPENSATION PACKAGE BE ACCEPTABLE TO THE COMMUNITY AT LARGE AND THE SCHOOL SYSTEM SO AS NOT TO INTERFERE WITH JOB FUNCTIONING OR LONGEVITY?

FUTURE COMPENSATION SECURITY - WHAT PROVISIONS ARE MADE FOR APPROPRIATE INCOME AND BENEFITS UPON RETIREMENT AND TO WHAT DEGREE ARE THESE FUTURE INCOME AND BENEFITS TRANSFERABLE UPON LEAVING FOR ANOTHER POSITION?

JOB DEFINITION - TO WHAT EXTENT DOES THE COMPENSATION PACKAGE PROVIDE TIME FOR OTHER ACTIVITIES?

JOB ENRICHMENT - WHAT PROVISION IS MADE FOR ACTIVITIES THAT MAY BE ENRICHING TO THE SUPERINTENDENT?

JOB TRANSITION - TO WHAT DEGREE ARE THE COSTS OF MOVING TO THE COMMUNITY TO ACCEPT A SUPERINTENDENCY BORNE BY THE SCHOOL SYSTEM THROUGH THE COMPENSATION PACKAGE?

6.

PUTTING BOTH SETS OF OBJECTIVES TOGETHER MIGHT LOOK SOMETHING LIKE THIS:

COMPENSATION OBJECTIVE	COMPENSATION ELEMENTS
CURRENT INCOME AND INCOME EQUIVALENT	SALARY
	TRANSPORTATION(CAR, CAR ALLOWANCE CREDIT CARD)
	EXPENSE FUND
	MEMBERSHIP DUES
	HOUSING PROVISION
	PUBLICATIONS ALLOWANCE
	DAYS FOR OUTSIDE CONSULTING
	GROUP HEALTH, DENTAL, VISION, PRESCRIPTION CARD
	PHYSICAL EXAMINATION
JOB SECURITY	MULTI-YEAR CONTRACT
	ROLL-OVER PROVISION
	SEVERENCE PAY
	AUTOMATIC BUY-UP PROVISION
PERFORMANCE REWARD	COMPENSATION TIED TO PERFORMANCE BASED EVALUATION
	BONUS OR MERIT INCREMENT
CURRENT COMPENSATION SECURITY	GROUP LIFE INSURANCE
	PAID SICK LEAVE
	DISABILITY INSURANCE
	PAID DISABILITY LEAVE

SUPERINTENDENT'S EVALUATION RATING CHART

No.	Objective	RATING								
		Unsatisfactory			Satisfactory			Commendable		
		1	2	3	4	5	6	7	8	9

7.

COMPENSATION OBJECTIVE	COMPENSATION ELEMENTS
COMMUNITY ACCEPTANCE	SALARY - MUST HAVE COMPARABILTIY FRINGE BENEFITS - VISIBLE BENEFITS MUST HAVE COMMUNITY ACCEPTANCE
FUTURE COMPENSATION SECURITY	RETIREMENT PORTABILITY OF RETIREMENT ANNUITY PROFESSIONAL LIABILITY INSURANCE EVENTUAL CASH VALUE FOR LEAVE CONTINUED HEALTH CARE UPON RETIREMENT
JOB DEFINITION	ANNUAL LEAVE PAID SABBATICAL LEAVE PERSONAL LEAVE RELIGIOUS LEAVE
JOB ENRICHMENT	DAYS FOR OUTSIDE CONSULTING RELEASE TIME FOR COLLEGE TEACHING RELEASE TIME FOR NATIONAL OR STATE PROFESSIONAL ACTIVITY PAID SABBATICAL LEAVE TUITION REIMBURSEMENT FOR COURSE WORK
JOB TRANSITION	BOARD PAYMENT TO RETIREMENT SYSTEM TO BUY CREDIT FOR OUT-OF-STATE YEARS BOARD PAYMENT FOR EQUIVALENT ANNUITY MOVING EXPENSES

8.

THE NEXT STEP IS TO DISCUSS THE IMPROVEMENTS NEEDED OR DESIRED REGARDING EACH OF THE OBJECTIVES WITH THE BOARD.

AT THIS POINT, IT WILL BE NECESSARY TO REVIEW WITH THEM THE COMPENSATION DATA GATHERED AS DESCRIBED BY JOHN HARRIS, THE RESULTS OF THE EVALUATION CONFERENCE AND THE IMPROVEMENTS NEEDED OR DESIRED AS I HAVE JUST INDICATED. GENERALLY, YOU AS THE SUPERINTENDENT WILL HAVE OR SHOULD HAVE A WELL THOUGHT OUT, WRITTEN SUMMARY OF THE COMPENSATION IMPROVEMENTS YOU WOULD LIKE.

AN ANALYSIS OF BENEFITS CAN BE SHOWN BY THIS SUMMARY.
(EXHIBIT B-1)

I HAVE FOUND CERTAIN FRINGES ARE MORE POPULAR IN CERTAIN STATES AND SOME ARE EVEN ILLEGAL IN SOME. IN ADDITION A GOOD PHRASE TO USE IN YOUR CONTRACT IS THAT YOU "WILL RECEIVE ALL BENEFITS OFFERED TO OTHER EMPLOYEES IN THE DISTRICT, PLUS THOSE LISTED AS FOLLOWS:" AND THEN ENUMERATE YOUR ADDITIONS.

GENERALLY, THE FINAL NEGOTIATIONS ON SALARY AND BENEFITS WILL BE DONE BETWEEN YOU AND THE BOARD PRESIDENT.

LAST, I WOULD LIKE TO FURTHER STRESS THE IMPORTANCE OF THIS TOTAL PROCESS WHICH JOHN AND I HAVE DESCRIBED TODAY. IT IS ONGOING AND REQUIRES FULL AND OPEN COMMUNICATION BETWEEN THE BOARD AND SUPERINTENDENT, AND DON'T FORGET TO GET A SUMMARY IN WRITING FROM THE BOARD PRESIDENT.

EXHIBIT B-1

FRINGE BENEFITS AND CONTRACT PROVISIONS

Benefit Or Provision	Degree Of Usage	Comment
• Housing provision	Infrequent	House or apartment provided more frequently in the smaller districts in the Plains and Western states
• Transportation and travel		
- Car provided	Frequent	Nearly all districts have some provision for superintendents travel both within and outside of district.
- Allowance for use of personal car	Frequent	
- Expense account	Widespread	For both in-district and outside travel
• Retirement plans		
- Pension	Widespread	Including state, local and/or social security coverage for personal income tax reasons
- Annuity	Widespread	
- Deferred income plan	Infrequent	Primarily for personal income tax reasons
• Insurance and health care		
- Group health insurance	Widespread	Including hospitalization and major medical including family coverage in some cases
- Dental care	Frequent	Family coverage increasingly common
- Vision care	Infrequent	
- Group life	Frequent	
- Professional liability insurance	Widespread	
- Paid sick leave	Widespread	Generally a fixed number of days per year
• Physical examination	Frequent	About one out of four districts pay full or partial cost of exam.
- Prescription payments	Infrequent but increasing	
- Long-term disability insurance	Infrequent but increasing	
- Paid disability leave	Infrequent but increasing	
• Professional development		
- Tuition reimbursement for coursework	Infrequent	
- Paid sabbatical leave	Frequent	Found less frequently in southern states
- Days for outside consulting	Infrequent	
• Membership dues	Frequent	Commonly paid are dues for AASA and state association and civic organization membership.
- Publications allowance	Infrequent	For purchase of books or subscriptions to journals
• Paid leave		
- Annual leave	Widespread	Average of slightly less than four weeks for the U.S.
- Emergency or personal leave	Widespread	
- Religious leave	Infrequent	
• Severance pay	Infrequent but increasing	
• Paid moving expenses	Infrequent	
• Miscellaneous contract provisions		
- Automatic buy-up provision	Infrequent	
- Roll-over provision	Infrequent	Not legal in some states
- Minimum percentage salary increase	Infrequent	

Key:		
	Widespread	More than 70%
	Frequent	26-70%
	Infrequent But Increasing	20-25%
	Infrequent	Less than 20%

Based on the 1975-76 "National Survey of Fringe Benefits for Professional Personnel in Public Schools", prepared by the Educational Research Service, Inc.